

1 BEFORE THE
2 ILLINOIS COMMERCE COMMISSION

3 IN THE MATTER OF:)
4 ILLINOIS-AMERICAN WATER COMPANY)
5 Application for Certificates of)
6 Public Convenience and Necessity) No. 03-0362
7 to Provide Water and/or Sanitary)
8 Sewer Service to Parcels in Cook,)
9 DuPage and Will Counties,)
10 Illinois, pursuant to Section)
11 8-406 for the Public Utilities)
12 Act.)

13 Chicago, Illinois
14 August 17, 2004

15 Met pursuant to notice at 1:00 p.m.

16 BEFORE:

17 MS. CLAUDIA SAINSOT
18 Administrative Law Judge

19 APPEARANCES:

20 MR. VLADAN MILOSEVIC and MR. JOHN J. REICHART
21 160 North LaSalle Street, Suite C-800
22 Chicago, Illinois 60601
 appearing on behalf of the Staff of the
 Illinois Commerce Commission,

 MS. MARY SULLIVAN (Telephonically)

 MS. CAROL DORGE (Telephonically)

 MR. BOB JOHNSON (Telephonically)

 SULLIVAN REPORTING COMPANY, by
 Jennel Hooper-Troupe, RPR, CSR

1 JUDGE SAINSOT: By the authority vested in me
2 by the Illinois Commerce Commission, I now call
3 Docket No. 03-0362, it is the application of
4 Illinois-American Water Company for certificates of
5 public convenience and necessity to provide water
6 and/or sanitary sewer service to parcels in Cook,
7 DuPage and Will Counties, Illinois. This petition is
8 brought pursuant to Section 8-406 of the Public
9 Utilities Act.

10 Will the parties identify themselves for
11 the record, please.

12 MR. MILOSEVIC: On behalf of Staff, Vladan
13 Milosevic and John Reichart, 160 North LaSalle,
14 Chicago, Illinois 60601. Our phone number is
15 312-793-2877.

16 MS. SULLIVAN: Mary Sullivan on behalf of
17 Illinois-American Water, 300 North Water Works Drive,
18 Belleville, Illinois 16223. My phone number is
19 618-239-2230.

20 MS. DORGE: Carol Dorge on behalf of the City
21 of Lockport, 315 Sheridan Road, Lake Bluff, Illinois
22 60044. And my phone number is 847-695-7031.

1 JUDGE SAINSOT: Okay. We have -- we are here
2 today to conduct the evidentiary hearing and I will
3 state for the record that the parties are in
4 agreement. There are no outstanding issues.
5 However, for the sake of commission review and for
6 the sake of completeness, we are going to enter the
7 testimony into the record.

8 Ms. Sullivan, why don't you begin.

9 MS. SULLIVAN: Yes. This is Mary Sullivan on
10 behalf of the company. On August 16th, 2004, the
11 company filed with the Chief Clerk of the Commission
12 the affidavit of its company witness, Bob Kohn
13 (phonetic). I'm requesting that his testimony be
14 admitted into the evidence of this record.

15 JUDGE SAINSOT: Okay. And for the record, his
16 testimony -- he has direct testimony, supplemental
17 testimony, second supplemental testimony and rebuttal
18 testimony.

19 MS. SULLIVAN: That's correct. The company
20 would request that those be identified as Company
21 Exhibits IAWC 1.0 for the direct, 2.0 for the
22 supplemental, 3.0 for the second supplemental and 4.0

1 for rebuttal. All testimony is to include any
2 attached exhibits or documents.

3 JUDGE SAINSOT: And then Exhibit IAWC BK 5.0
4 would be Mr. Kohn's affidavit?

5 MS. SULLIVAN: That's correct.

6 JUDGE SAINSOT: Okay. Are there any objections
7 to entry of these previously identified exhibits into
8 the record?

9 MR. MILOSEVIC: No objection, your Honor.

10 MS. DORGE: No objection, your Honor.

11 JUDGE SAINSOT: Okay. That being the case,
12 IAWC BK 1.0, BK 2.0, BK 3.0, BK 4.0 and BK 5.0 are
13 admitted into evidence.

14 (Whereupon, IAWC Exhibit Nos. BK
15 1.0, BK 2.0, BK 3.0, BK 4.0 and
16 BK 5.0 were admitted into
17 evidence as of this date.)

18 JUDGE SAINSOT: Is there anything else,
19 Ms. Sullivan, that you need to get admitted into
20 evidence.

21 MS. SULLIVAN: Nothing further for the company.

22 JUDGE SAINSOT: Ms. Dorge?

1 MS. DORGE: I will admit on behalf of the City
2 of Lockport a stipulation, which is actually
3 identified as Joint Exhibit A. This is the
4 stipulation of agreement between the City of Lockport
5 and Illinois-American Water Company, which was filed
6 on June 28, 2004.

7 JUDGE SAINSOT: Okay. Is there any objection
8 to the admission of the Joint Exhibit A into the
9 record?

10 MR. MILOSEVIC: No objection, your Honor.

11 MS. SULLIVAN: None from the company.

12 JUDGE SAINSOT: Okay. Then your motion is
13 granted. Ms. Dorge, Joint Exhibit A, which was filed
14 on June 28th and it is a -- the agreement -- or
15 statement of the agreement between the parties is
16 admitted into evidence.

17 (Whereupon, Joint Exhibit A was
18 admitted into evidence as of
19 this date.)

20 JUDGE SAINSOT: Staff?

21 MR. MILOSEVIC: Your Honor, we would like to
22 make a motion that ICC Staff Exhibit 2.0 as

1 previously filed on E-Docket be admitted into
2 evidence. It's affidavit of Sheena Kite (phonetic)
3 dated June 29th, 2004.

4 JUDGE SAINSOT: Any objection?

5 MS. SULLIVAN: None from the company.

6 MS. DORGE: No objections.

7 JUDGE SAINSOT: Okay. Staff, your motion is
8 granted. The affidavit of Sheena Kite, which is
9 Staff Exhibit 2.0, is entered into evidence.

10 (Whereupon, Staff Exhibit 2.0
11 was admitted into evidence as
12 of this date.)

13 JUDGE SAINSOT: Anything further from staff?

14 MR. MILOSEVIC: Your Honor, I would like to
15 call William R. Johnson.

16 JUDGE SAINSOT: Mr. Johnson?

17 MR. JOHNSON: Yeah.

18 (Witness sworn.)

19 JUDGE SAINSOT: Okay. You can proceed.

20

21

22

1 EXAMINATION

2 BY

3 MR. MILOSEVIC:

4 Q Mr. Johnson, would you state your full
5 name, title and business address for the record?

6 A My name is William R. Johnson. I work at
7 the Illinois Commerce Commission. My business
8 address is 527 East Capitol Avenue, Springfield,
9 Illinois 62701. I'm in the water department.

10 Q Okay. And Mr. Johnson, do you have before
11 you two documents, which have been previously marked
12 for purposes of identification ICC Staff Exhibit 1.0
13 entitled direct testimony of William R. Johnson of
14 the Water Department, Financial Analysis Division of
15 the Illinois Commerce Commission, dated June 29,
16 2004, which consists of a cover page, 12 pages of
17 narrative testimony and attachment 8. And the other
18 document is ICC Staff Exhibit 3.0, entitled rebuttal
19 testimony of William R. Johnson, dated July 27th,
20 2004, consisting of narrative testimony?

21 A That is correct.

22 Q And were these Staff Exhibits 1.0 and 3.0

1 prepared by you or under your direction and control?

2 A Yes, they were.

3 Q And if I were to ask you exactly the same
4 questions here and now today, would you, in fact,
5 give exactly the same responses?

6 A Yes, I would.

7 Q Any additions or corrections you wish to
8 make to your Staff Exhibit 1.0 and Staff Exhibit 3.0
9 at this time?

10 A No.

11 Q Is it your intention that this be your
12 sworn testimony at this proceeding?

13 A Yes, it is.

14 MR. MILOSEVIC: Your Honor, at this time we ask
15 that the ICC Staff Exhibit 1.0., direct testimony of
16 William R. Johnson, and ICC Staff Exhibit 3.0,
17 rebuttal testimony of William R. Johnson be admitted
18 into the record in this Docket as evidence and also
19 at this time we offer the witness for any
20 cross-examination.

21 JUDGE SAINSOT: Any objection to the admission
22 of ICC Exhibits 1.0 and 3.0?

1 MS. SULLIVAN: None from the company.

2 MS. DORGE: None from Lockport.

3 JUDGE SAINSOT: Okay. Your motion is granted,
4 Counsel, and ICC Exhibits 1.0 and 3.0 both are the
5 prefiled testimony of William R. Johnson are admitted
6 into evidence.

7 (Whereupon, Staff Exhibit Nos.
8 1.0 and 3.0 were admitted into
9 evidence as of this date.)

10 JUDGE SAINSOT: Any cross-examination on -- of
11 Mr. Johnson?

12 MS. SULLIVAN: None from the company.

13 MS. DORGE: And none from Lockport.

14 JUDGE SAINSOT: Okay. It looks like you're off
15 the hook, Mr. Johnson.

16 MR. JOHNSON: Thank you.

17 JUDGE SAINSOT: Okay. Is there anything
18 further?

19 MR. MILOSEVIC: Nothing else, your Honor.

20 JUDGE SAINSOT: Okay. The record will be
21 marked as heard and taken. Thanks very much.

22 HEARD AND TAKEN...